669 security agencies can make unauthorized arrests
671 and ignore the individual protections prescribed by law. This is especially true when dealing with "counterrevolutionaries." Persons who cannot establish their identities or have no fixed address are subject to immediate arrest.

687 To reveal security information and to
671 violate national currency laws are criminal acts, subject to severe punishment, according to a decree pertaining to the safekeeping of national security information [40] and a law concering national currency.[41] National security information includes not only military information but also any data concerning economic and financial affairs, transportation conditions, judicial and legislative matters. The term "national security information" is so loosely defined that unlawful disclosure of any information can be regarded as a criminal act. An act resulting in the violation of national currency regulations, if judged to have been committed with the intent of contributing to the success of counterrevolutionaries is tantamount to a counterrevolutionary act. Within the loose definitions of the

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40. Yangtze Daily, June 11, 1951, p. 1.

41. Ibid., April 18, 1951, p. 4.

687 law governing "corruption,"[42] passed during the
671 Three-Anti Campaign by the Government Administration Council, severe penalties are provided for "corruption" and bribery by a government employee or by a citizen in collaboration with a civil servant.

B. Decrees to Eliminate Counterrevolutionary Activities

669 Any act deemed contrary to the interest
687 of the state is considered to be "counterrevolutionary." Persons placed by the government in the category of landlords, bandits, former Kuomintang officials, or members of secret societies have been branded automatically as counterrevolutionaries.

Although regulations governing the suppression and control of landlords in the North China Region are not available, the spirit and manner in which landlords are tried and placed under surveillance is the same in this region as in any other. Regulations governing the suppression of counterrevolutionaries,[43] issued by the Government Administration Council in February 1951, applied to all regions throughout the nation. This regulation is allegedly based on the spirit of Article 7 of the Common Program, which registered the determination of the Communist

42. People's Daily, April 22, 1952, p.1.

43. Liberation Daily, Feb. 23, 1951, p.1.

669 regime to imprison all counterrevolutionaries
687 and other "criminals" and to employ the method of "Reform-through-labor cultivate their loyalty to the Communist regime." Counterrevolutionaries are subject to trial both by the People's court and by military tribunal. They are deprived both of their political rights and personal property.

Two laws govern the control of counterrevolutionaries: the Law of Control of Counterrevolutionaries [44] and Regulations Governing Labor Service for Reform.[45] The first of these laws, issued by the Ministry of Public Security, provides prison terms for persons who conspired against the Communist regime but have not yet shown their loyalty to it. Decisions repeating their control are vested in the People's courts and the public security agencies at county and municipal levels. Hsiang and ch'ü governments and public security sub-stations in the city may initiate control, subject to the approval of the immediately superior office. Persons under surveillance are deprived of their political rights, including the right to vote. During the period of surveillance, lasting up to three years, counterrevolutionaries are compelled to engage in "productive" work. Former members of the

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44. Ibid., March 18, 1951, p. 1.

45. People's Daily, Sept. 7, 1954, p. 2; English text in Current Background, No. 293, Sept. 15, 1954.

669 687 Kuomintang, the Chinese Youth Party, and the Democratic Socialist Party, former intelligence personnel under the Nationalist Government, and officers of that government above the rank of capitain are required to register with public security agencies.

The Regulations Governing Labor Service for Reform, issued by the Government Administration Council in August 1954, provides a detailed scheme for the management of forced labor camps throughout China. The centralized management of forced labor under the public security agencies facilitates both the control and utilization of "counterrevolutionaries," while imposing on them severe hardships and cruelties.

COMMENTS AND CONCLUSION

From the foregoing discussion and from what we know of human reaction to totalitarianism, it would appear that the recent increase of criminal activities in the North China Region is traceable to the regime's excessive demands on the people and attempts to effect control by terror and strict surveillance. In a dictatorship, where a single will is imposed upon the people and force is the primary instrument of persuasion, resistance tends to increase as people become accustomed to the tactors of terrorism and inured to an atmosphere of vociferous domination.

However, public unrest has been less evident in the North China Region, which is under direct supervision of the Central People's Government, than in other regions of China.

669 Still, the renewed activities of secret societies
• 689 and the growing number of unsolved "criminal" cases constitute evidence of either the growing inefficiency of public security agencies or the improvement of evasive tactics on the part of the "criminal" element. That the situation has given the Communists cause for worry is evident in the statement of the Minister of Public Security to the National People's Congress in 1955 urging redoubled efforts to accomplish the complete suppression of counterrevolutionaries.

Annex "A," Subparagraph 2f,
Political Background

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SUBVERSIVE POTENTIALITIES

The uncompromising policy of the Communists toward all political opposition throughout the country has been more firm and effective in the North China Region than elsewhere in China. The Communists' assumption of power was least challenged in this region. Since the establishment of the national capital and Party headquarters at Peking, the region has been under direct surveillance and control of the top hierarchy of the new regime.

As the nation entered a new stage of development after the inauguration of the Central People's Government in October 1949, open and clandestine opposition of all kinds has been reported by the Communist regime. Two main sources of subversion have been marked as targets for destruction by the government: (1) "Counterrevolutionaries" or "basically hostile elements" -- inclusive terms embracing all social, economic, and political elements considered enemies of the socialist state. (2) Harmful activities such as corruption, waste, and theft which are reported to have caused degeneration and inefficiency in Party and government organizations, industrial establishments, and rural co-operatives. A third source of danger to the Communist regime -- tension and discontent within the party, government, and the populace -- can be inferred as

687 concommitants of excessive control by an extremely centralized state, though little explicit reference is made to such feelings by the regime.[1]

I. SUPPRESSION OF COUNTER-REVOLUTIONARIES

668 The term "counterrevolutionaries" as used by the Communists is only vaguely defined. It includes all persons whose past or present actions are deemed contrary to the purpose and interests of the Communists, particularly "bandits," landlords, armed resistance groups, spies, saboteurs, secret societies, and unrepentant former Nationalist Government officials, army officers, and members of the Kuomintang. The suppression of counterrevolutionaries in the North China Region followed the same pattern as in other regions. However, due largely to the nature and limited scope of the resistance, Communist measures in North China were less violent than usual and were used chiefly for psychological effect. Since the reported increase of criminal activities in the North China Region in 1954, the suppression of counterrevolutionaries has again become one of the immediate tasks of the Communist organizations there.

A. Extermination of "Bandits"

Prior to 1952, the term "bandits" applied

1. Studies of USSR can be helpful in understanding this subject. Cf. Merle Fainsod, How Russia is Ruled, Cambridge, Harvard U. Press, 1953; Barrington Moore, Jr., Terror and Progress USSR, Cambridge, Harvard U. Press, 1954.

423 to work or were required to serve in forced labor camps. Others, classified as counter-revolutionaries within the meaning of the term as used in Decree on the Suppression of Counterrevolutionaries by the Ministry of Public Security of the Government Administration Council in February 1951, were deprived of all political rights and placed under surveillance for a period of not less than three years.[6] These ex-landlords were placed in forced labor camps under the supervision of public security agencies and were subject to being sent to any area where a large labor force was required. There is no doubt that former landowners constituted the major portion of the forced labor battalions in Communist China.

565 423 687 After land reform, many peasants and Party members had become members of the so-called "new rich," and as such were regarded by the Communists as "potential landlords." The growth of a new moneyed class was particularly serious in the North China Region. (See Party control in the rural areas in the chapter on Political Dynamics in this handbook.) The activities of these "potential landlords" were exhaustively reported. They were accused of contemplating or actually attempting hostile acts against the regime with the collaboration of former landlords; more particularly, they were accused of attempting to seize control of the rural government and of attempting to destroy

6. Test of the regulation in ibid, Feb. 22, 1951, p. 1.

565 the system of agricultural producers' co-operatives. In December 1954, renewed warnings
423 against them were voiced by the Communists.
687 The case of Ch'ang-li hsien was cited. According to the report, former landlords, aided by the "new rich," had succeeded in infiltrating a producers' co-operative in order to destroy it. Having become members of the co-operative, the "counterrevolutionaries" bribed Party cadres and employed collaborators to capture key positions in the organization. They spread rumors and created dissension in an effort to disorganize the co-operative. The Communists accused members of the co-operative of showing contempt for the poor peasants by inviting "rich peasants" to join. (Regulations forbid the acceptance of landlords and "rich peasants" as members of the co-operatives.) Landlords were charged with creating unrest in the rural areas, burning granaries, killing cattle, murdering Communist members, and destroying dams and agricultural implements owned by the co-operatives.

C. Suppression of Nationalist Elements and Espionage Activities

668 The suppression of counterrevolutionaries in North China at first was carried out under joint direction of the Government Administration Council and the People's Supreme Court.[8]

7. Ibid., Dec. 15, 1954, p. 1.

8. Report on the suppression of counterrevolutionaries in Hopei Province, Ho-pei Jih-pao [Hopei Daily], Oct. 30, 1950, p. 1.

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668 The nationwide movement for suppression of counterrevolutionaries in 1951 further intensified the Communists' campaign against spies. However, at the end of the campaign, the Communists admitted that only a minimum number of the cases prosecuted during the counterrevolutionary drive directly involved espionage. Most of the persons condemned were found guilty of being bandits of "despots."[20]

With the increase in counterrevolutionary activities on the China Mainland, espionage once again became one of the targets for suppression. Any "destructive act" resulting in the loss of state property and personnel was deemed an act of espionage. In 1954, according to Lo Jui-ch'ing,[21] 619 espionage cases were prosecuted in the nation as a whole. Cases involving the murder of Communist Party members and the transmittal of information to the Nationalist forces on Formosa were widely reported. The manager of the Wu-ta Trading Company at Tientsin was charged with espionage for allegedly supplying military and industrial information to Nationalist agents in Hong Kong.

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648 4. Foreign "Intelligence Agents." The suppression of foreign "intelligence agents"

20. Report of Lo Jui-ch'ing, People's Daily, Oct. 1, 1951, p. 3.

21. Text of Lo's speech, ibid., July 29, 1955, p. 3.

AF 12

668 was as important as the liquidation of National-
642 ist spies. During 1951, church groups and for-
eign missionaries were accused of engaging in espionage, Mass meetings were held and anti-imperialism" propaganda was disseminated, An Italian. Antonio Riva, was arrested in Peking and charged with spying for the United States Government.[22] A militant Catholic organization in Tientsin known as Sheng-mu Chün (the Legion of Mary) was singled out for suppression.[23] Members of that organization were required to register and were subject to investigation by security agencies. Of the reported 20,000 Chinese Catholics in Peking, about 2 000 were said to have joined the Sheng-mu Chün and "other reactionary organizations."[24]

• 687 5. Sabotage. Sabotage cases involving the
668 destruction of factory property, the theft of confidential information, and rumor-mongering were frequently reported in the North China Region. During 1950-52, acts of sabotage were fought by the enforcement of union control and by the organization of security committees in the factories and "safety" teams in the individual shops. With the launching of the first Five-Year Plan in 1953, regulations on safety and labor discipline were strengthened.[25] To observe labor

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22. Ibid., Aug. 18, 1951, p. 3.

23. Text of order of Tientsin Military Control Committee, ibid., July 15, 1951, p. 1.

24. Ibid., Nov. 25, 1951, p. 4.

25. Text of "regulations on Labor Discipline Applied in State-Owned Enterprises," ibid., July 14, 1954, p. 2.

668 regulations, to guard state property, to
•687 safeguard economic information, and to observe all safety and security regulations became the duties of every worker.

687 Despite the enforcement of all these measures, sabotage activities grew with the expansion of industry. The woman minister of justice Shih Liang revealed that there were a total of 364,604 sabotage cases throughout China between January 1954 and May 1955. The destruction of the Hsia Hua Yüan mining area in Hopei in 1955 was cited as a deliberate act of sabotage by counterrevolutionaries.[26] The total number of sabotage cases in Hopei Province in 1954 was reported[27] to be approximately 160 per cent above the number reported in 1953. In Shansi, in 1954, sabotage rate doubled in the course of a year.

D. Secret Societies

669 The most widespread and persistent resistance
575 to the Communist regime in the North China Region was offered by the secret societies. Secret societies, as rebellious organizations, have invariably represented the Chinese people's resistance to social change. Moreover, in a society such as exists in Communist China today, where the individual has lost all sense of identity, the appeal of secret societies which preach stoicism and indifference may be great, especially among the illiterate peasants and workers. For this reason, the Communists have singled out

26. Ibid., Jul.3,1955,p. 1.

27. Shih Liang's report ibid., Jul.30, 1955, p. 6.

2: Gamble S-5 (1926-1933)1954 AF 12 North China AF 12

the cash, and an additional surcharge of 49.2 per cent designated for the police and for education. After 1914 these items were combined into a single levy. In 1927 the total was 60,206,017 cash or $16,051.91. In 1929 the rate was more than doubled. The total was $33,578.04. This was 30 per cent of the provincial levy.

Together the provincial and hsien levies for 1929 totaled $144,938. The combined rate was 48.52 cents per o nei mu (from 13.9 to 3.47 cents per standard mu) and 6.89 cents per o wei mu. The overall average was just under 10 cents per standard mu.

Most of the villages collected "crop money" from the owners and operators of the surrounding farm land, in order to pay the village expenses for crop watching, night watchmen, local police, home guard, schools, and the demands of the military forces. The rates for the Ting Hsien villages were not available but in a village about 25 miles south the charge varied from 12 to 23 cents per mu during the five year period, 1927-31. The highest rate was in 1928 when the military demands were especially heavy.[1] In 21 multi-village areas near Peking the fall "crop money" ranged from 15 to 70 cents per mu in 1929 and from 18 to 45 cents in 1930. For the individual areas the averages for the five years, 1929 to 1933 inclusive, ranged from 19.5 to 54 cents per mu. For 13 of the 21 areas the five year average was between 30 and 45 cents per mu. The average annual assessment of the 21 areas ranged from 30.6 to 36.4 cents per mu.

Transfer taxes were levied on all land sales and on mortgages. The latter were taxed as they involved a definite land transfer. The mortgagee regularly took possession of the mortgaged land and held and used it until the mortgage was repaid. The income from the land went to the mortgagee in lieu of interest on the loan.

The tax regulations required the village land supervisors, village gentry, to witness the signatures on land deeds and to see that the transfer taxes were paid within six months. Delay beyond six months brought a 100 per cent penalty. If delayed beyond one year the penalty was 200 per cent and beyond two years 300 per cent. Concealing the value of the land transferred, or the amount of the mortgage, incurred penalties of from 100 to 500 per cent depending on the amount of the discount, 100 per cent for undervaluations up to 20 per cent and 500 per cent if over

1. Sidney D. Gamble, "Hsin Chuang", *Harvard Journal of Asiatic Studies*, vol. 8, no. 1 (1944).

2: Gamble S-5 (1926-1933) 1954 AF 12 North China AF 12

651 424 687 50 per cent. If there was collusion that involved the land supervisor of the village he was to be assessed twice the amount of the tax due.

The tax rates were 12.6 per cent on deeds and 5.3 per cent on mortgages. The basic rates were 6 per cent and 3 per cent and were collected for the province by the hsien. It kept 2 per cent of the total for its collection service. A surtax of 10 per cent of the basic tax was designated for education. The remaining 6 and 2 per cent represented the commission, ya yung, formerly collected by the middlemen who arranged the deals, but later taken over by the government agencies.

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The basic rate and the 10 per cent surtax were paid by the seller or mortgagor. The ya yung charges were paid 60 per cent by the purchaser or mortgagee, 40 per cent by the seller or mortgagor.

The proceeds of the extra 6 per cent, ya yung, on deeds was divided 1.5 per cent for the province, 2.0 per cent for the hsien, and 2.5 per cent for the village where the land was located. The extra 2 per cent on mortgages was divided 0.5 per cent to the province, 0.8 per cent to the hsien, and 0.7 per cent to the village. The hsien and village shares were earmarked for education. The village share was reported as one of the sources of income for the village school. (See Chapter IX.)

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In addition to the taxes there was a charge of 50 cents a sheet for the official deed and mortgage forms and 10 cents each for recording.

The number of deeds recorded was 4,826 in 1927, 5,660 in 1929. The three year average was 5,550. The number of mortgages was 903 in 1927, 1,110 in 1929, the three year average 1,049. The total reported value of the deeded land was $100,000 in 1927, $208,000 in 1929, the three year average $150,000. The total amount of the recorded mortgages was $24,600 in 1927, $54,500 in 1929, the three year average $37,870. The average land value per deed was $21 in 1927, $37 in 1929. The amount of the average mortgage was $22 in 1927 and $49 in 1929.

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The land transfer tax on deeds and mortgages, plus the charge for the official forms and for recording, totaled $17,317 in 1927 and $33,091 in 1929. The average for the three years was $24,290. The division between deeds and mortgages was almost exactly the same for all three years, 89.3 per cent for deeds, 10.7 per cent for mortgages.

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Tooth (sales) taxes, ya shui for the province and ya chüan for the hsien, were collected on most sales. Some said that the term "tooth taxes" was derived from the fact that the taxes were first levied on the sale of farm animals, transactions that regularly included the examina-